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INFO RUEHAC/AMEMBASSY ASUNCION 3690  
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RUEHBU/AMEMBASSY BUENOS AIRES 1207  
RUEHBR/AMEMBASSY BRASILIA 0602  
RUEHCV/AMEMBASSY CARACAS 1889  
RUEHPE/AMEMBASSY LIMA 5875  
RUEHMN/AMEMBASSY MONTEVIDEO 4160  
RUEHQT/AMEMBASSY QUITO 2042  
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RUEATRS/DEPT OF TREASURY WASHDC  
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STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

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TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)  
SUBJECT: CHILE MEDIA REPORT - DECEMBER 20-22

#### Lead Stories

1. All dailies highlighted Wal-Mart's offer to purchase Chile's largest supermarket chain, D&S. Also highlighted was Mahmud Aleuy's appointment as Under Secretary for National Development.

#### U.S.-Related News

2. Wal-Mart, the world's largest retail company, will launch a bid to buy D&S, Chile's largest chain of supermarkets. The local company has committed to selling 23.4% of its shares. Speaking in Arkansas, where both parties sealed the deal, controlling D&S shareholder Nicolas Ibanez stated, "This is good news for Chile because it involves a long-term view. It's about identifying an opportunity and developing it." Wal-Mart said this will help it gain a foothold not only in Chile's competitive retail market, but also in the region (El Mercurio, conservative, influential newspaper-of-record, Sat. circ. 173,049, 12/20).

3. Finance Minister Andres Velasco said Wal-Mart's decision shows that foreign investment in Chile is continuing to move forward (Las Ultimas Noticias, high-circulation, popular, circ. 140,000, 12/22).

4. Chile's Scientific Research Center in Valdivia exported genetically modified mice to the University of Miami for use in research on a devastating kidney disease. The center produces a this type of mouse in a special facility built in accordance with international standards (El Mercurio, circ. 129,000, 12/22).

5. An individual identified as an exchange student from the U.S., whose name was not given, was found dead yesterday (12/19) in a downtown apartment in Santiago. Initial reports indicate that she died from inhaling carbon monoxide from a malfunctioning gas water heater in the bathroom of the apartment (El Mercurio, 12/20).

6. Mary Schapiro, recently designated by President-Elect Obama to be the next Chair of the Securities and Exchange Commission (SEC), was in Chile in June 1997 to take part in a seminar with financial authorities (La Tercera, conservative, independent, Sun. circ. 222,084, 12/21).

7. General Oscar Izurieta, Commander-in-Chief of the Army, appeared before the Chamber of Deputies' human rights committee in an inquiry about the U.S.-based School of the Americas and human rights violations. Responding to a question on torture, Izurieta said he

has "empirical evidence" that none of the Chilean soldiers who have studied at that institution were taught techniques of applying torture. Izurieta added, "I studied there, too, and I do not violate human rights" (Chamber of Deputies webpage, 12/19).

¶8. Column by international commentator Libardo Buitrago entitled "Brazil: Leader of Latin America and the Caribbean": "Brazil has convened four summits and gathered the leaders of Latin America and the Caribbean, showing that its foreign policy has become more open and proactive.... Lula has set out to bring the region together; thus it was no accident that Mercosur's annual meeting coincided with UNASUR's as he invented a new one: The Summit of Latin America and the Caribbean.... The latter was different from the Summit of the Americas... in that it did not include global powers, a clear demonstration that Lula has fully entered the field of regional influence. His strategy is to become a valid interlocutor for the new U.S. administration and for other regions of the world.... In this context, he played a new card... endorsing Cuba's entry to the Rio Group and making sure that the Latin American Summit Declaration included a call for the United States to lift its embargo on Cuba. This is a powerful negotiation tool for when Hillary Clinton takes office as Secretary of State, because it will create a new political situation, namely that Cuba's agenda is no longer trapped between Washington and Havana, but is now open to the region. Lula has let the world know that... the ball is now in his court. In other words, Brazil has become the region's true leader" (Diario Financiero, business and financial daily, 12/22).

Cuba

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¶9. Foreign Minister Alejandro Foxley said that Chile will strengthen relations with Cuba in 2009, as part of a process that he termed "normal" and consistent with the practices of other countries in the region. Foxley said both countries will sign an array of cooperation agreements. Sources said that most of these accords will be sealed during Bachelet's visit to Havana in February (El Mercurio, 12/20).

¶10. Foreign Minister Foxley offered a positive assessment of Chile's foreign policy in 2008, despite the serious impasse with Peru over recent inflammatory remarks made by that country's Army Commander-in-Chief. Foxley also announced a possible presidential trip to Russia in April of next year (El Mercurio, 12/20).

¶11. Cuban dissident leader Oswaldo Paya said he would not make a special request to meet with President Bachelet during her visit to the island. "We have great respect for her, but it is up to her to decide what she will do during that visit," said Paya (La Tercera, 12/21).

¶12. Editorial entitled "Cuba and Latin America": "President Bachelet will make an official visit to Cuba in February.... This is hard to comprehend, since Chile has historically been committed to the defense of human rights and has therefore been forced to vote against Cuba in the United Nations.... There are no interests compelling Chile to make this special gesture toward Cuba.... Cuba has also recently attended expanded regional summits, and has reportedly assessed the possibility of its return to the OAS. Amidst all this rapid and unexpected process, no one has invoked the democratic clauses contained in the OAS Charter or in many other regional agreements.... None of this is conducive to the democratic transition anticipated in Cuba after half a century. Instead, it seems that [this process] is a result of the predominant political inclination and double standard in the region, where dictatorships are sanctioned according to on their [political] ideology. This situation is a backward step in the confusing Latin American scenario.... In the case of Cuba, Latin America is now in debt to its own principles" (El Mercurio, 12/21).

URBAN